

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 06256 191758Z

43

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-14 IO-14 ISO-00

AEC-11 AID-20 CEA-02 CIAE-00 CIEP-03 COME-00 DODE-00

FEAE-00 FPC-01 H-03 INR-11 INT-08 L-03 NSAE-00 NSC-07

OMB-01 PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08

TRSE-00 FRB-03 PA-04 PRS-01 USIA-15 DRC-01 /242 W

----- 117540

R 191717Z AUG 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 5142

INFO AMEMBASSY CANBERRA

AMEMBASSY FREETOWN

AMEMBASSY LIBREVILLE

AMEMBASSY LIMA

AMEMBASSY MANILA

AMEMBASSY MONROVIA

AMEMBASSY NEW DELHI

AMEMBASSY NOUAKCHOTT

AMEMBASSY OTTAWA

AMEMBASSY RABAT

AMEMBASSY SANTIAGO

AMEMBASSY STOCKHOLM

AMEMBASSY TUNIS

AMEMBASSY WELLINGTON

USMISSION GENEVA

USINT ALGIERS

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY CARACAS

LIMITED OFFICIAL USE 6256

E.O.11652: N/A

TAGS: ETRD, BR, EIND, EMIN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 06256 191758Z

SUBJECT: ORGANIZATION OF IRON ORE EXPORTING NATIONS

REF: A. BRASILIA 5982 B. STATE 176957

1. FOLLOWING PRESS ITEM REPORTED REF A, AUGUST 13 ARTICLE IN NATIONAL DAILY, O ESTADO DE S.PAULO, REPORTED REACTION BY BRASILIA-BASED "AUTHORITY IN MINERALS SECTOR" TO ANNOUNCEMENT BY PRESIDENT OF VENEZUELAN STATE MINING CORPORATION, AGREMIS GAMBOA, THAT ORGANIZATION OF IRON EXPORTING COUNTRIES STRUCTURED ALONG LINES OF OPEC, WULD BE FORMED BY BRAZIL, SWEDEN, CANADA, LIBERIA, AUSTRALIA AND VENEZUELA.

ARTICLE QUOTED SOURCE AS STATING THAT EXAMPLE OF OIL PRODUCING COUNTRIES COULD NOT BE RELATED TO THOSE OF IRON ORE PRODUCING NATIONS IN VIEW OF THE LACK OF ANY POLITICAL, ECONOMIC, GEOGRAPHIC OR RACIAL IDENTIFICATION AMONG THEM, WHICH IS THE PRINCIPAL OBSTACLE TO THE FORMATION OF A PRODUCERS ORGANIZATION. ACCORDING TO THE SOURCE, THE OPEC EXAMPLE COULD NOT BE RELATED TO IRON ORE PRODUCERS BECAUSE ARAB STATES HAVE THE UNITY OF COMMON OBJECTIVES AND ALSO DOMINATE THE INDUSTRY. THE ARTICLE'S SOURCE ADDED THAT IRON ORE EXPORTERS HAVE BEEN DISCUSSING THE POSSIBILITY OF CREATING AN ORGANIZATION TO CONTROL PRICES IN THE INTERANTIONAL MARKET FOR SOME TIME BUT THAT THE QUESTION IS STILL BEING DISCUSSED AT THE DIPLOMATIC LEVEL. THE ARTICLE CONTINUED THAT AN ASSOCIATION MIGHT BE FORMED BY TWO OR THREE EXPORTING COUNTRIES AND THAT IN SUCH A CASE, BRAZIL WOULD HAVE LITTLE INTEREST, SINCE IMPORTING COUNTRIES COULD SIMPLY BOYCOTT THE ORGANIZATION AND BUY FROM NON-MEMBERS.

2. EMBOFF HAS DISCUSSED ABOVE AND REF A REPORTS WITH OFFICIAL IN FONOFF BASIC PRODUCTS DIVISION. OFFICIAL SAID HE DID NOT KNOW SOURCE OFPRESS REPORTS OF THE GOVERNMENT. HE SAID INFORMATION FROM CARACAS THAT BRAZIL HAS DECIDED TO JOIN AN IRON ORE EXPORTERS ORGANIZATION WERE NOT ACCURATE AND THAT CURRENT GOB POSITION REMAINS THAT WHICH BRAZIL HAS HAD FOR PREVIOUS MEETINGS AMONG IRON ORE EXPORTERS, THAT IS ATTENDANCE BUT AS AN OBSERVER. HE SAID BRAZIL HAS BEEN INFORMED OF A MEETING TO BE CONVENED IN GENEVA THE LAST WEEK OF OCTOBER OR THE FIRST WEEK IN NOVEMBER,COORDINATED BY INDIA. HE SAID BRAZIL WILL ATTEND THAT MEETING AS AN OBSERVER AND FOLLOWING THAT MEETING, THE GOB MAY GIVE CLOSER CONSIDERATION AT POLICY LEVEL AS TO WHETHER BRAZIL SHOULD OR SHOULD NOT PARTICIPATE IN THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRASIL 06256 191758Z

FORMATION OF EXPORTERS ORGANIZATION.

3. US MINING INDUSTRY REP INFORMED EMBASSY THAT SUBJECT OF EXPORTERS ORGANIZATION CAME UP IN RECENT CONVERSATION WITH MINISTER OF MINES AND ENERGY UEKI. ACCORDING TO SOURCE, UEKI COMMENTED THAT GOB HAD DOUBTS ABOUT EFFICACY OF AN ORGANIZATION OF IRON ORE EXPORTING NATIONS AND ENDICATED THAT BRAZIL'S POSITION WOULD BE INFLUENCED BY THE REACTIONS, OR LIKELY

REACTIONS, OF IMPORTING COUNTRIES.

4. COMMENT: IT SEEMS LIKELY THAT SOURCE OF O ESTADO STORY WAS UEKI HIMSELF OR OTHER HIGH OFFICIAL IN MINISTRY OF MINES AND ENERGY.

5. FOLLOWING O ESTADO ARTICLE, AN EDITORIAL APPEARED IN JORNAL DO BRAZIL CRITICIZING VISABILITY OF AN ORGANIZATION INCLUDING A LARGE NUMBER OF IRON ORE EXPORTERS AND SUGGESTING THAT BRAZIL'S INTERESTS WOULD BE BETTER SERVED THROUGH BINATIONAL ENTERPRISES WITH COUNTRIES LIKE BOLIVIA AND COLOMBIA WHERE MUTUAL ADVANTAGES EXIST FOR THE DEVELOPMENT OF NATURAL RESOURCES.
CRIMMINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, INTERGOVERNMENTAL COOPERATION, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 19 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL06256
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740228-0192
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740838/aaaabgak.tel
Line Count: 128
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. BRASILIA 5982 B. STATE 176957
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2002 by boyleja>; APPROVED <13-Aug-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ORGANIZATION OF IRON ORE EXPORTING NATIONS
TAGS: ETRD, EIND, EMIN, BR, ORG OF IRON ORE EXPORTING NATIONS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005